

March 1, 1994

FACT SHEET

PROPOSED RULEMAKING FOR CONSTRUCTED, RECONSTRUCTED OR MODIFIED MAJOR SOURCES UNDER SECTION 112(g) OF THE CLEAN AIR ACT

WHAT IS SECTION 112 (g)?

- ◆ Section 112(g) of the Clean Air Act addresses air toxics emissions from newly constructed, reconstructed and modified sources of toxic air pollutants. Air toxics are those pollutants known or suspected to cause cancer or other severe health effects (eg. birth defects, reproductive effects).
- ◆ EPA proposed 112(g) rule would require newly constructed, reconstructed or modified "major" sources to apply controls or take other steps if emission increases are above certain "de minimis" levels.
- ◆ Sources can avoid control requirements by providing emission decreases (referred to as "offsets") so long as those pollutants being offset are "more hazardous." The proposed rule includes a pollutant ranking system to determine if offsets are "more hazardous".

WHAT ARE THE MAIN COMPONENTS OF SECTION 112(g)?

- ◆ Major sources undergoing modifications must implement maximum achievable control technology (MACT) even if EPA has not yet issued applicable emissions standards for that particular source category.
- ◆ A stringent "new source MACT" level of control is required for constructed and reconstructed major sources. Constructed and reconstructed major sources may not offset their emissions to avoid requirements. The language in the Act is ambiguous regarding new equipment additions to existing plants. Accordingly, the proposed rule requests comment on two definitions of "construct" to reflect two different interpretations.
- ◆ For existing major sources that undergo modifications, a somewhat less stringent "existing source MACT" level of control is required. Activities constituting a

modification are defined in the proposed rule. A number of activities including routine maintenance, increases in operating hours, and changes in raw materials within existing capability are not considered modifications and are therefore excluded under this rule.

- ◆ Sources that undergo modifications are subject to the proposed rule if there is an increase in emissions greater than a de minimis level. The proposed rule contains a table of de minimis values.
- ◆ The proposed rule contains procedures for applicants to demonstrate that a MACT emission limitation will be met. Case-by-case determinations are required when no applicable standard has been published by EPA. The proposed regulation is accompanied by a draft Case-by-Case MACT Guidelines Document aimed at facilitating MACT demonstrations.
- ◆ For applicants wishing to use offsets instead of MACT, the proposed rule provides two alternative methods for making an offset demonstration. The first method is based upon a procedure developed in the Prevention of Significant Deterioration (PSD) program. The second method is a more simplified method for situations involving prospective extra reductions.
- ◆ The proposed rule includes a method for relatively ranking the air toxics, listed in section 112 of the Act, and for issuing guidance in determining a "more hazardous" decrease in emissions. This guidance would allow offsets from "more hazardous" or "equally hazardous" pollutants. The proposed rule is accompanied by a technical support document identifying the data and methods used to rank each chemical.

THE PROPOSED RULE IS REQUESTING COMMENT ON SEVERAL ISSUES

- ◆ There are a large number of statutory interpretations and policy decisions that are embodied in the proposed rule. The Agency believes that the series of decisions presented in the proposed rule strike an appropriate balance between competing policy, scientific, and administrative objectives.
- ◆ The EPA requests comments in many areas, including the following:
 - Definition of "Construct a Major Source"

- Definition of "Reconstruct a Major Source"
- Treatment of new equipment additions at existing sites
- Types of changes excluded from review
- De Minimis Values
- Method for calculating actual emissions
- Offsets- creditable decreases
- Offsets- "more hazardous" determination
- Offsets- types of data and methods used to rank chemicals, including policy decisions
- Case-by-case MACT determination criteria
- Amount of a plant covered by MACT for a "modification"
- Administrative process for Case-by-case MACT and offset determinations
- Relationship of section 112 (g) requirements to the Part 70 operating permits program

FOR FURTHER INFORMATION

Anyone with a computer and a modem can download the rule from the Clean Air Act board of EPA's electronic TTN bulletin board. For further information about how to access the board, call (919) 541-5384. For further information about the rule, contact Tim Smith on (919) 541-4718 or Jane Caldwell-Kenkel on (919) 541-0328.